

APPENDIX E

26 U.S.C.A. § 4251



I.R.C. § 4251

Effective: July 22, 1998

UNITED STATES CODE ANNOTATED
TITLE 26. INTERNAL REVENUE CODE
SUBTITLE D--MISCELLANEOUS EXCISE TAXES
CHAPTER 33--FACILITIES AND SERVICES
SUBCHAPTER B--COMMUNICATIONS
→ § 4251. Imposition of tax

(a) Tax imposed.--

(1) **In general.**--There is hereby imposed on amounts paid for communications services a tax equal to the applicable percentage of amounts so paid.

(2) **Payment of tax.**--The tax imposed by this section shall be paid by the person paying for such services.

(b) Definitions.--For purposes of subsection (a)--

(1) **Communications services.**--The term "communications services" means--

(A) local telephone service;

(B) toll telephone service; and

(C) teletypewriter exchange service.

(2) **Applicable percentage.**--The term "applicable percentage" means 3 percent.

(c) **Special rule.**--For purposes of subsections (a) and (b), in the case of communications services rendered before November 1 of a calendar year for which a bill has not been rendered before the close of such year, a bill shall be treated as having been first rendered on December 31 of such year.

(d) Treatment of prepaid telephone cards.--

(1) **In general.**--For purposes of this subchapter, in the case of communications services acquired by means of a prepaid telephone card--

(A) the face amount of such card shall be treated as the amount paid for such communications services, and

(B) that amount shall be treated as paid when the card is transferred by any telecommunications carrier to any person who is not such a carrier.

(2) **Determination of face amount in absence of specified dollar amount.**--In the case of any prepaid telephone card which entitles the user other than to a specified dollar amount of use, the face amount shall be determined under regulations prescribed by the Secretary.

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(3) Prepaid telephone card.--For purposes of this subsection, the term "prepaid telephone card" means any card or any other similar arrangement which permits its holder to obtain communications services and pay for such services in advance.

REPEAL

<This subchapter, relating to the tax on communications, was repealed by Pub.L. 90-364, Title I, § 105(b)(3), June 28, 1968, 82 Stat. 266, as amended by Pub.L. 91-172, Title VII, § 702(b)(3), Dec. 30, 1969, 83 Stat. 660; Pub.L. 91-614, Title II, § 201(b)(3), Dec. 31, 1970, 84 Stat. 1843, effective with respect to amounts paid pursuant to bills first rendered on or after January 1, 1982. In the case of communications services rendered before November 1, 1981, for which a bill has not been rendered before January 1, 1982, a bill shall be treated as having been first rendered on December 31, 1981.>

<Pub.L. 96-499, Title XI, § 1151, Dec. 5, 1980, 94 Stat. 2694; Pub.L. 97-34, Title VIII, § 821, Aug. 13, 1981, 95 Stat. 351; Pub.L. 97-248, Title II, § 282(a), Sept. 3, 1982, 96 Stat. 568; Pub.L. 98-369, Div. A, Title I, § 26, July 18, 1984, 98 Stat. 507; Pub.L. 99-514, Title XVIII, § 1801(b), Oct. 22, 1986, 100 Stat. 2785; Pub. L. 100-203, Title X, § 10501, Dec. 22, 1987, 101 Stat. 1330-438, Pub.L. 101-508, Title XI, § 11217(a), Nov. 5, 1990, 104 Stat. 1388-437, amended section 4251 of this title, relating to the imposition of the tax on communications, extending the tax applicable under such section to amounts paid pursuant to bills first rendered before Jan. 1, 1991, without amending Pub.L. 90-364, Title I, § 105(b)(3), June 28, 1968, 82 Stat. 266, which, as amended, had repealed this subchapter, effective with respect to amounts paid pursuant to bills first rendered on or after Jan. 1, 1982.>

"Amounts paid pursuant to bills first rendered--	Percent--
"Before January 1, 1973	10
During 1973	9
During 1974	8
During 1975	7
During 1976	6
During 1977	5
During 1978	4
During 1979	3
During 1980 or 1981	2
During 1982, 1983, or 1984	1 "

Current through P.L. 110-80 approved 08-13-07

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